UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN FRANCISCO DIVISION

MARY E. BARBOUR AS TRUSTEE FOR THE MARY E. BARBOUR FAMILY TRUST ONE, Derivatively On Behalf of BROCADE COMMUNICATIONS SYSTEMS, INC.,

Plaintiff,

GREGORY L. REYES, et al.,

Defendants,

-and-

VS.

BROCADE COMMUNICATIONS SYSTEMS, INC., a Delaware corporation,

Nominal Defendant.

WHEREAS, on August 2, 2008, Brocade Communications Systems, Inc.

("Brocade"), through the Special Litigation Committee of its Board of Directors ("SLC"), filed a

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motion seeking to dismiss the Amended Complaint pursuant to Federal Rules of Civil Procedures 12(b) and 23.1, or, in the alternative, to realign the parties to re-designate Brocade as the sole party-plaintiff, dismiss the shareholder plaintiff, and stay proceedings in this action pending further developments in (i) a related, earlier-filed action in this Court captioned *In re Brocade Communications Systems, Inc. Derivative Litigation*, No. C05-02233 CRB (the "Lead Action"), in which Brocade (through the SLC) has filed a Second Amended Complaint asserting direct claims arising out of the same matters at issue in this case, and (ii) other related proceedings; and

WHEREAS, on August 3, 2008, Brocade filed a motion to realign the parties and stay proceedings in another related action pending in the Superior Court for the State of California, Santa Clara County, captioned *In re Brocade Communications Systems, Inc. Derivative Litigation*, No. 1:05CV041683 ("State Action"); and

WHEREAS, plaintiff's counsel, Johnson Bottini, LLP, has engaged in substantial legal analysis and negotiations and discussions with counsel for the SLC regarding Brocade's motion and the relief sought therein; and

WHEREAS, plaintiff's counsel has had the opportunity to review the SLC's 127page Resolution setting forth the findings of its investigation into the derivative claims asserted in this action and other related derivative actions; and

WHEREAS, as a result of the aforementioned discussions, plaintiff's counsel's review of the Resolution and the Second Amended Complaint, and a review and discussion of the process by which the SLC conducted its investigation and of the evidence that the SLC considered, plaintiff supports Brocade's motion to realign and is satisfied with the SLC's independence and good faith and the reasonableness of its investigation; and

WHEREAS, plaintiff's counsel has entered into an engagement agreement (the "Engagement Agreement") with Brocade (acting through the SLC) to assist in the prosecution of

this case and the related derivative litigations as co-counsel to the SLC, which Engagement Agreement has been submitted to the Court under seal for its *in camera* review; and

WHEREAS, pursuant to a stipulation between plaintiff's counsel and Brocade's counsel (reporting to the SLC) (among others), the Court in the State Action entered an order on August 12, 2008, realigning the parties in that action, substituting Brocade as the sole party-plaintiff, dismissing the shareholder plaintiff and staying the State Action pending further developments in the Lead Action and other related proceedings; and

WHEREAS, the individual defendants in the State Action were provided with notice and an opportunity to object to the realignment and stay in that action; and

WHEREAS, on August 15, 2008, the Court in the State Action overruled the objection submitted by two individual defendants in that case (who are also defendants in the Lead Action) and reaffirmed its previous order granting realignment and staying the case without prejudice to the objecting defendants' right to move to vacate the stay; and

WHEREAS, a stipulation to realignment of the parties is being entered into between and among Brocade and the shareholder plaintiffs in the Lead Action; and

WHEREAS, plaintiff's counsel and counsel for the SLC have stipulated that the parties to this action should be realigned, with Brocade re-designated as the sole party-plaintiff and substituted for the shareholder plaintiff, that the shareholder plaintiff should be dismissed, and that this action should be stayed pending further developments in the Lead Action and other related proceedings, and said stipulation has been filed with the Court;

NOW, THEREFORE, IT IS HEREBY ORDERED that:

- The return date of the motion to dismiss the Amended Complaint or, in the alternative, to realign the parties and stay proceedings is accelerated from September 19, 2008 to August 21, 2008.
- 2. The parties to this action are realigned, with Brocade re-designated as the sole party-plaintiff and substituted for the shareholder plaintiff.

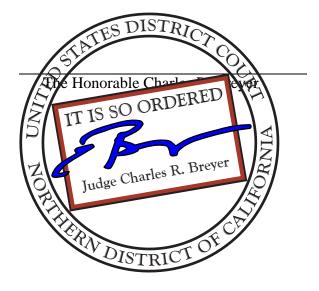
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The shareholder plaintiff is hereby dismissed from this action.

4. This action is hereby stayed pending further developments in the Lead Action and other related proceedings.

IT IS SO ORDERED.

DATED: August 27, 2008



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